

Message Text

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47

ACTION EUR-10

INFO OCT-01 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-03 FEAE-00 FPC-01 H-01 INR-10

INT-01 L-02 NSAE-00 NSC-07 OMB-01 PM-03 RSC-01 SAM-01

SCI-03 SP-02 SS-14 STR-01 TRSE-00 FRB-01 PA-01 PRS-01

USIA-04 DRC-01 EURE-00 /082 W

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P 101729Z OCT 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 4740

INFO AMCONSUL CALGARY

AMCONSUL MONTREAL

AMCONSUL TORONTO

LIMITED OFFICIAL USE OTTAWA 3339

3.O. 11652: N/A

TAGS: ENRG, CA

SUBJ: ENERGY: SARNIA-MONTREAL PIPELINE EXTENSION

1. TORONTO GLOBE AND MAIL OF OCT 10 REPORTS EXTENSIVELY
ON UNEXPECTED REQUEST BY INTERPROVINCIAL PIPELINE CO.
(IPL) TO NATIONAL ENERGY BOARD (NEB) AT OCT 9 RE-
CONVENING OF HEARINGS ON SARNIA-MONTREAL PIPELINE EXTENSION
TO ADJOURN HEARING PENDING RELEASE OF NEB'S LONG-AWAITED
REPORT ON CANADIAN CRUDE OIL SUPPLY.

2. IPL PRESIDENT WALDON IS REPORTED TO HAVE SAID THAT
COMPANY HAS GROWING FEAR THAT THERE WILL BE INSUFFICIENT
DOMESTIC OIL PRODUCTION IN WESTERN CANADA TO MEET
GROWING REQUIREMENTS WEST OF THE OTTAWA LINE, LET ALONE
SUPPLYING EASTERN CANADA. IN THIS SITUATION, WALDON
INDICATED THAT IF THE GOC WANTS THE PIPELINE BUILT AS A
SECURITY MEASURE THE GOVERNMENT SHOULD BE WILLING TO
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UNDERWRITE IT AND PROVIDE GUARANTEES OF A MINIMUM ANNUAL

REVENUE OF ABOUT \$25 MILLION.

3. NEB IS EXPECTED TO RULE ON IPL'S REQUEST FOR ADJOURNMENT TODAY. IF NEB DECIDES TO COMPLETE HEARING, IPL REPORTEDLY WILL REQUEST THAT DECISION ON ISSUING CERTIFICATE TO BEGIN CONSTRUCTION BE DELAYED PENDING RELEASE OF THE NEB'S SUPPLY REPORT (AND PRESUMABLY UNTIL IPL CAN DISCUSS MATTER OF GOVERNMENT GUARANTEE ON THROUGHPUT AND/OR REVENUES).

4. EMBASSY COMMENT: IPL HAS BEEN RUMORED FOR SOME MONTHS TO BE FOOT-DRAGGING ON THIS PROJECT AND TO HAVE SERIOUS MISGIVINGS ABOUT SUPPLY AVAILABILITY. ON MATTER OF NEB OIL REPORT (BASED ON LAST APRIL'S HEARINGS) A FINAL DRAFT WAS CIRCULATING WITHIN THE NEB SEVERAL MONTHS AGO AND PRESUMABLY BY THIS DATE HAS GONE FORWARD TO ENERGY MINISTER MACDONALD. IT IS NOT KNOWN WHEN IT WILL BE RELEASED PUBLICLY.
PORTER

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Message Attributes

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Draft Date: 10 OCT 1974
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Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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